



The State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

Representatives Present During the Inspection:

| | | |
|---------|-----------------|-----------------------------|
| Company | Vicky S. Miller | Environmental Specialist |
| OGM | Dana Dean | Environmental Scientist III |

Inspection Report

| | |
|------------------|------------------------------|
| Permit Number: | C0070018 |
| Inspection Type: | COMPLETE |
| Inspection Date: | Thursday, September 30, 2004 |
| Start Date/Time: | 9/30/2004 10:20:00 AM |
| End Date/Time: | 9/30/2004 11:10:00 AM |
| Last Inspection: | Thursday, June 24, 2004 |

Inspector: Dana Dean, Environmental Scientist III

Weather: Light rain, cool, 55 deg. F

InspectionID Report Number: 423

Accepted by: whedberg *OK*

11/2/2004

Permittee: **CANYON FUEL COMPANY LLC**

Operator: **CANYON FUEL COMPANY LLC**

Site: **SOLDIER CANYON MINE**

Address: **PO BOX 1029, WELLINGTON UT 84542**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

Current Acreages

| | |
|----------|------------------------|
| 6,624.64 | Total Permitted |
| 24.32 | Total Disturbed |
| | Phase I |
| | Phase II |
| | Phase III |

Mineral Ownership

- ☐ Federal
☐ State
☐ County
☐ Fee
☐ Other

Types of Operations

- ☐ Underground
☐ Surface
☐ Loadout
☐ Processing
☐ Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Permit Condition: Canyon Fuel Company has just one permit condition for the Soldier Canyon Mine, to submit water quality data in an electronic format through the Electronic Data Input web site, <http://linux1.ogm.utah.gov/cgi-bin/appxogm.cgi> They are complying with this condition.

Permitting Actions: There are no permitting actions before the Division for the Soldier Canyon Mine.

Violations: None

Division Orders: None

Inspector's Signature

[Signature]
Dana Dean, Environmental Scientist III

Inspector ID Number: 50

Date

Tuesday, October 05, 2004

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 facsimile (801) 359-3940 TTY (801) 538-7223 www.ogm.utah.gov

Utah!
Where ideas connect™

Permit Number: C0070018
 Inspection Type: COMPLETE
 Inspection Date: Thursday, September 30, 2004

Inspection Continuation Sheet

Page 2 of 4

REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

| | Evaluated | Not Applicable | Comment | Enforcement |
|--|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------|
| 1. Permits, Change, Transfer, Renewal, Sale | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Signs and Markers | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Topsoil | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.a Hydrologic Balance: Diversions | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4.b Hydrologic Balance: Sediment Ponds and Impoundments | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4.c Hydrologic Balance: Other Sediment Control Measures | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.d Hydrologic Balance: Water Monitoring | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4.e Hydrologic Balance: Effluent Limitations | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5. Explosives | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Disposal of Excess Spoil, Fills, Benches | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Coal Mine Waste, Refuse Piles, Impoundments | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Noncoal Waste | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 9. Protection of Fish, Wildlife and Related Environmental Issues | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Slides and Other Damage | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Contemporaneous Reclamation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. Backfilling And Grading | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 13. Revegetation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. Subsidence Control | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. Cessation of Operations | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 16.a Roads: Construction, Maintenance, Surfacing | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 16.b Roads: Drainage Controls | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 17. Other Transportation Facilities | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 18. Support Facilities, Utility Installations | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 19. AVS Check | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 20. Air Quality Permit | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 21. Bonding and Insurance | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 22. Other | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

1. Permits, Change, Transfer, Renewal, Sale

The Permittee had all proper permits on-site and available for review. The Oil, Gas, and Mining Permit term is from February 3, 2002 to February 3, 2007. The Division of Environmental Quality last amended the Air Quality Permit in 1994. The UPDES Permit is valid from March 30, 2001 to March 29, 2006.

2. Signs and Markers

There are identification signs at the mine entrance and at the topsoil pile location. Each contains the required information. Disturbed area boundary and topsoil pile designation markers are in the proper locations.

4.a Hydrologic Balance: Diversions

All ditches and diversions were clear and in good shape. They were functioning as designed.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Ms. Vicky Miller conducted the second quarter pond inspection on June 23. She noted "no signs of instability, structural weakness, or other hazardous conditions." The sediment was well below the established cleanout marker.

There was water in the pond today. It looked stable and free of cracks, erosion rills, etc.

4.d Hydrologic Balance: Water Monitoring

The Permittee submitted the first quarter water-monitoring data on July 2. They submitted the second quarter data on September 14. All of the information was complete.

4.e Hydrologic Balance: Effluent Limitations

Canyon Fuel provided hard copies of the second-quarter DMR data for review. There were no discharges during the quarter.

8. Noncoal Waste

The Permittee has maintained the disturbed area; generally clear of non-coal waste.

19. AVS Check

Ms. Miller is working with Ms. Pamela Grubaugh-Littig of the Division to update the MRP and the AVS system with current ownership/control information. There are no permit holds in the AVS system.

20. Air Quality Permit

The Division of Air Quality issued a permit for Soldier Canyon on May 2, 1994. It remains valid and unchanged since that date.

Permit Number: C0070018
Inspection Type: COMPLETE
Inspection Date: Thursday, September 30, 2004

Inspection Continuation Sheet

Page 4 of 4

21. Bonding and Insurance

The Certificate of Insurance is valid through July 31, 2005. It provides for \$500,000 aggregate and \$300,000 per each occurrence as required by the Coal Rules and includes blasting damage coverage (XCU). The site is bonded for \$3,238,000. The Surety is Liberty Mutual Insurance Company, which has an A rating.

22. Other

The Permittee has a Storm Water Pollution Prevention Plan (SWPPP) on-site. They also have a surface runoff control plan.